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**OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS**



DARLENE GREEN
Comptroller

Internal Audit Section

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

July 9, 2009

Honorable Darlene Green
Comptroller, City of St. Louis
200 Market St., Room 212
St. Louis, MO 63103

Dear Honorable Green:

On July 1, 2009, Ishmael Ikpeama, Audit Supervisor and Leonard Bell, Auditor II of the Internal Audit Section visited St. Louis Caring Community After School Program (St. Louis CAN) to follow up on a previous visit by the Community Development Administration (CDA) per the discussion we had in your office on June 30, 2009.

Dr. Ikpeama and Mr. Bell could not conduct an audit of St. Louis CAN because of the lack of records. However, they managed to uncover some significant items as described below.

Mr. Bell examined the limited financial records that were available at the location and noted the following:

- The Program Executive Director's salary submitted for reimbursement to CDA did not agree to the salary paid per the payroll records. The initial difference was less than \$100 in most incidents observed (the questioned costs to be determined will also include the associated payroll taxes paid).
- The Program Executive Director stated work hours are 9:00 a.m. to 5:00 p.m. However, she could not locate any time sheets to verify attendance.
- The Program Executive Director prepares standardized computer generated weekly timesheets that are signed by the employees that she certifies as correct, but do not reflect the actual hours worked daily.
- The 2008 CDA budget for St. Louis CAN was \$100,000 to support payroll, payroll taxes, and related fringe benefit (except for \$583 for supplies). In reviewing the bank statements on hand it was noted:
 - Cancelled checks are not returned with the bank statements
 - There is only one account for payroll and other disbursements
 - The checkbook is in the possession of the Program Executive Director

Dr. Ikpeama and Mr. Bell conducted interviews with the following St. Louis personnel:

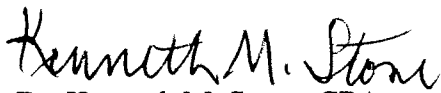
- Ms. Kyria Spears Virshelle – Program Manager
 - She maintains her own attendance records, but does not enter the time on any official St. Louis CAN attendance sheet. Her hours are 9:00 a.m. to 5:00 p.m., Monday through Friday and occasionally on Saturday and Sunday.
 - She is also the Program Manager for the “Garden Project”. It is unclear how the Garden Project relates to St. Louis CAN (it’s not mentioned in the budget and/or program objectives)
 - She also works for the Meltdown Mondays and Hip Hop Health Camp programs. It is also unclear how these programs relate to St. Louis CAN
- Ms. Earsene Andrews – Administrative Secretary
 - She does not complete a daily time sheet. Ms. Pamela Boyd, Executive Director, prepares and maintains all of the time sheets for St. Louis CAN.
 - Ms. Andrew is the conduit for contact with Ms. Boyd (through telephone and email) when Ms. Boyd is not on the premises. Ms. Boyd has another job at Elder Care and comes to St. Louis CAN for Monday and Tuesday staff meetings and sporadically Wednesday through Friday leaving before 5:00 p.m.
 - Ms. Boyd informed Ms. Andrew that board member Antoinette Cousins and Stacy Manning (daughters of Ms. Boyd) would be resigning from the board effective June 30, 2009.
 - The last board meeting was held June 25, 2009.
- Mr. Ronald Miller – Asst. Program Manager
 - He also does not complete a daily time sheet for St. Louis CAN
 - He sees Ms/ Boyd on Monday and Tuesday at staff meetings and has noticed her occasionally in the office after 3:00 p.m.
- Ms. Pamela Boyd, Executive Director
 - She was a board member at St. Louis CAN from 1999 to 2003 and became Executive Director in 2003
 - She performs the following functions:
 - Pays all bills
 - Negotiates contracts
 - Brings partners to St. Louis CAN
 - Writes and signs checks (Ms. Sandra Collier, Treasurer is the second signatory)
 - Keeps custody of checks, makes deposits and keeps deposit slips

- Occasionally makes purchases of supplies for St. Louis CAN with her credit card and cash and is reimbursed by St. Louis CAN
 - Prepares financial narratives submitted monthly to the board of directors
 - Prepares the weekly payroll summary of hours worked for all personnel
 - Receives bank statements
 - Does not maintain attendance records for her time at St. Louis CAN (does not remember if she worked at St. Louis CAN on April 18, 20, 21, etc, from 9:00 a.m. to 5:00 p.m. as the time sheet submitted to CDA for reimbursement indicated)
- Based on some bills sent to CDA, Ms. Boyd was overpaid by \$78.40. She said the over payment was refunded to CDA.
 - She occasionally works after 8:00 p.m. on arrangements with the building cleaning crew (according to the Principal, Northwest Middle School, the building is shut-down, vacated and locked by 8:00 p.m., no one has access to the building after this time).

Tentative Conclusions of the Auditors:

- Could not determine whether Ms. Boyd worked the hours at St. Louis CAN for the days and time she recorded on time sheets.
- Could not determine the daily hours worked by other St. Louis CAN personnel.
- Internal controls at St. Louis CAN are weak because Ms. Boyd controls most of the records and performs incompatible duties with no evidence of board oversight.
- There appears to have been a conflict of interest on the board of directors with Ms. Boyd's daughters.
- We were unable to examine any financial reports or minutes from board meetings (requested Ms. Boyd to contact their outside accountant for access to any financial reports).

Sincerely,


 Dr. Kenneth M. Stone, CPA
 Internal Audit Executive
 Comptroller's Office

Cc: Ms. LaTaunia Wilder
 Mr. John Zakibe